

Chapter 6 • Internal Capacity Assessment

WORKFORCE AND ORGANIZATIONAL CAPACITY

Aging Workforce

As baby boomers approach retirement age, we face the potential loss of program knowledge and management expertise through the retirement of experienced workers. According to national research, government is feeling the impact at a greater rate than the private sector. The proportion of older workers is expected to increase by an average of 4% per year between 2000 and 2015. The proportion of younger workers entering the public sector is shrinking at the same time.

DSHS administrations' succession planning data also reflected this national trend. About two-thirds of our managers were eligible to retire by the end of 2005. This percentage might increase in future years.

A Double-edged Challenge

Retirements may cause more turnovers in key positions. We anticipate an increased need for recruitment, training, and mentoring of newer, less experienced workers. At the same time, we need to develop qualified professional staff and prepare them for key leadership positions.

On the other hand, as some older workers elect to remain in the workforce beyond retirement age due to their economic situations or other reasons, we can anticipate an increased need for reasonable accommodations for these older workers.

Strong Commitment

DSHS' strong commitment to serving our citizens requires a well developed workforce. However, some job positions have experienced high turnover rate in recent years: social workers, psychologists, nurses, therapists, pharmacists, forensic evaluators, and other medical professionals.

We need to work closely with the Department of Personnel to enhance recruiting so that we can create the capability to obtain certified lists in a timely manner. Meantime, as our training resources diminish due to budget reductions, alternative employee development opportunities, such as mentoring activities and job rotations, became viable vehicles for organizational development and succession planning.

Involving Employees in Decision Making

The 2006 DSHS Employee Survey gave us an opportunity to understand how our employees felt about their job, their workplace and their management. In addition to the twelve standard questions provided by the Department of Personnel, we added six more questions and two open-ended questions. About 77% of DSHS employees responded to this survey.

In general, 80% of respondents felt good about their work, or agreed that their supervisors treat them with dignity and respect. But only 50% of respondents felt they had the opportunity to give input on decisions affecting their work, or they were encouraged to come up with new and better ways of doing things. Less than 50% of the respondents felt they received recognition for a job well done, or felt they had confidence in the decisions made by senior leaders.

A follow-up workshop in June will talk about how to share feedback communications with employees and develop an action plan based on the survey results. The Secretary will also discuss this topic with the Executive Leadership Team in August after receiving programs' action plans.

TECHNOLOGY CAPACITY

Important Factors

As we improve our information technology practices to sustain existing programs and service levels, and to support added new programs, we must consider the following factors that significantly influence DSHS' technology capacity:

- Increased demand driven by economic realities – DSHS is responsible for addressing the needs of increased numbers of clients with improved services, while reducing administrative costs.
- Thoughtful acquisition and deployment of technological innovation – Advances in technology offer more and better potential solutions.
- End user expectations – As existing technology and its infrastructure age, investment in upgrades is necessary to meet user's changing needs.
- Quality workforce – Successful recruitment and retention of a skilled workforce is essential to the performance of the workload associated with developing, maintaining and operating IT systems.

Effective Infrastructure and Skilled Workforce

DSHS programs continually evaluate and implement solutions to improve service delivery models. These solutions often rely heavily on the use of the web-based applications and other emerging technologies. Consequently, the agency's technical infrastructure and technology staff continue to face new demands and challenges.

As technology advances, so must the skills of our IT workforce. Competition with private industry makes it difficult to recruit and retain highly skilled technical experts. Flexible hiring and compensation tools must be available to overcome these challenges along with succession planning.

Fundamental Shifts in Service Delivery

Given the state's budget limitations, DSHS is challenged to provide new services and infrastructure while maintaining existing services. In recent years, DSHS experienced fundamental shifts in service access and delivery. For example:

- Employees and their workstations are becoming more mobile and less tied to a worksite.

- Call centers and interactive voice response systems are more commonplace.
- We explore new opportunities to reduce paper files and move to digital storage.
- Increase in virulent cyber attacks resulted in heightened vigilance in IT security.
- Decreased fiscal and staff resources have increased interest in finding technology solutions at the enterprise level when feasible.

IT Strategic Planning

These shifts require expansion of the agency's technology infrastructure and often result in expansion of enterprise-wide technology service offerings. The DSHS IT Strategic Plan, in Appendix 3 of this document, outlines strategic IT activities that impact multiple parts of DSHS.

In addition, many programs have planned technological advancements for the next few years, and have included those issues in their strategic plans. For example:

- Implement ProviderOne, the agency's new provider payment system
- Use health technology to improve access to and coordination of mental health care
- Implement integrated electronic health record and personal health information systems
- Implement Web front-ends to legacy systems, such as ACES and STARS
- Create systems that automatically notify clients of key case actions and events
- Initiate multiple improvements to the Division of Vocational Rehabilitation STARS application to improve service delivery, data collection and reporting
- Fully implement the CATS system in Juvenile Rehabilitation Administration
- Implement the automated comprehensive assessment system for persons with developmental disabilities, and enhance the system for all supported populations
- Implement a new statewide automated child welfare information system (SACWIS)
- Develop and implement medical and residential/clinical treatment databases to improve sex offender risk assessment and treatment effectiveness

FINANCIAL CAPACITY

Overview

Our operating budget has grown by an annual average of 5.5% since the 95-97 Biennium. For the most part, these cost increases are driven by the cost of health care and other necessary support services to the state's Medicaid eligible citizens.

Most of the budget growth in any given biennium is driven by inflationary cost for health related services or caseload growth for existing programs. About 70% of the department's budget is spent on contracted services, 10% is spent through grants to clients, 15% on employee salary and benefits, and 5% on other administrative support functions.

Federal Funding

Nearly three-quarters of the Department's budget is driven by state and federal funds paying for health and rehabilitative services of the Medicaid program. An additional 15% of the department's budget is governed by federal funding rules or results from with other federal grants — meaning 90% of the department's budget is directly connected to the federal budget.

Consequently, federal government's implementation of budget reduction proposals will affect the department's financial capacity. Recently, the State General Fund (GFS) has made up some of the lost federal funds for DSHS programs. In its most recent budget, the United States Congress has made the first of what are expected to be additional reductions to federal spending for programs traditionally paid for in part by the federal government.

Over the past three biennia, state general funds have added to the department's budget to make up for reductions in federal support for mental health services, WorkFirst and the Children's Health Program.

Reductions in federal spending sometimes come in the form of direct federal cuts to program eligibility or program elimination. In other cases, the imposed administrative changes impact the amount that the federal government will pay for a particular service or activity. Either of these types of reductions creates increased competition for limited state revenues or the need to scale back a service or program.

In the current federal deficit environment, policymakers will have to continue to look for ways to reduce spending. This will have implications for DSHS programs for the foreseeable future.

Economic Forecast

The US economic growth (Gross Domestic Product) for the next four calendar years is forecasted to be 3.3% in 2006, 2.9% in 2007, and 3.2% in 2008 and 2009. The unemployment rate is expected to be fairly stable at 4.76% this year, 4.87% in 2007, 4.95% in 2008, and 4.88% in 2009.

In Washington State, employment growth is anticipated to be 2.2%, 1.8%, and 1.5% in 2007, 2008, and 2009. Real personal income growth for the current year is expected to be 4.1%, while 2007 through 2009 is estimated at 5.2%, 4.3% and 4.3%.

Even with modest growth anticipated during the next several years, available revenue for state programs is not expected to keep pace with the funds required to support state services by. It is estimated the state will require an additional \$720 million in revenue to fund existing DSHS programs in the 07-09 biennium and \$1.5 billion to fund existing programs in the 09-11 biennium.

Competition between Services and Infrastructure

We must carefully manage our finances especially in times of limited resources. State policymakers need to make choices between funding services for constituents and adequately funding infrastructure to deliver those services.

Budget cycles and competing demands for limited revenue leave little room for providing resources to maintain information technology that supports management decision making, administrative overhead to assure proper management of operations, or adequate facilities are provided in which to deliver services.

Policy makers realize the importance of making critical investments in technology to accommodate the growing infrastructure demands to support a wide variety of uses from safeguarding information to the analysis of performance data.

For DSHS, it is a constant struggle to get sufficient resources to pay for increasing lease costs, advancing technology, ever expanding expectations for performance and oversight, inflationary costs of utilities, fuel, or even postage. In these cases, fixed cost must be met, and often that comes from reducing expenditure on client services.

SERVICE DELIVERY CAPACITY

New Partners for Integrated Treatment to Long-Term Care Consumers

For the Aging and Disability Services Administration, new partnerships have emerged over the last biennium. These providers serve mentally ill and chemically dependent persons, and we expect their services will result in more holistic, integrated treatment, and therefore achieve better outcomes.

Because we expect that the growth in demand will far exceed the growth in resources, our future challenge is how to limit services and adequately serve the greatest numbers of people possible. The Joint Legislative and Executive Task Force on Long-Term Care will consider the future of long-term care by addressing financing, chronic care management, and disability prevention.

Implement New Practice Model to Improve Service to Children

In the Children's Administration, the continuous effort to increase and sustain the capacity of our service partners through recruitment, training and communication is critical to the safety, well-being and stability of children. We seek contractors' input and conduct a comprehensive review of provider contracts to improve business practices and service outcomes.

We also want to achieve the highest service standard possible in Child Protective Services and Child Welfare Services. The administration is developing a new practice model to reduce inconsistencies in our social workers' decision making and policy interpretation, while taking regional differences into consideration.

Streamline Processes and Improve Contracting Monitoring

Although the state's economic condition has improved, changes at the federal level are exhausting added resources that the state is realizing. The Economic Services Administration continues to focus and direct efforts at the most efficient methods of service delivery, while maintaining high quality, customer-focused service.

These efforts include: (1) using technology to streamline processes where possible, (2) enhancing contractor recruitment to meet the needs of the diverse population, and (3)

improving contract development and monitoring capacity to ensure delivery of desired results.

Complex Challenges in Health Care Delivery

The Health Recovery Services Administration faces different kinds of service delivery challenges. While expanding our chemical dependency treatment capacity under a legislative mandate, we ran into issues including regional shortages of chemical dependency professionals, time-limited federal funding mechanism, and not having enough resources to serve clients with co-occurring mental health and substance abuse problems. We are taking actions to address these issues.

For mental health services, the 2006 supplemental budget will allow us to increase housing for persons with serious mental illness, open wards in the state hospitals, and strengthen utilization review for community and state hospital usage. The federal funded transformation project will also increase consumer driven services and evidence based mental health care. Because some Regional Support Networks may be unable to meet the new standards, we are exploring options to contract with other entities best suited to deliver quality mental health services and management.

A study shows that the number of active health care providers increased 3.8% from an average of 13,247 in Fiscal Year 2003 to 13,746 in Fiscal Year 2004. This is a continuation of a trend between 1998 and 2004. Overall, 70% of the office visits are provided by only 25% of the active providers. Numbers of specialty providers in certain counties have reduced. We will closely monitor these trends and take actions as needed.

FACILITY AND INFRASTRUCTURE CAPACITY

An increasing number of complex challenges is effecting the ability of DSHS to provide safe and secure residential facilities for clients and the staff who serve them. These challenges include: changes in institutional census demands, changing demographics in the state's population, emerging needs of community based programs, and fluctuations in available state and federal funding create a dynamic environment that must be addressed in long range planning.

In recent years, planning for adequate facilities (state owned and leased) has also been impacted by land use regulations at the state and local levels, as well as a desire by local jurisdictions to closely scrutinize the potential impact of DSHS facilities in their communities. Increased community focus on DSHS activities in their midst adds another dimension to the planning and execution of capital and leased facility projects.

Institutional Capital Capacity

Facility Changes Required for 2007-2011

DSHS' institution facilities should be able to meet the census demands at our institutional campuses. Institutional populations fluctuate with any number of factors: treatment modalities, crime rates, court rulings, new legislations, etc.

However, significant capital projects can take three to five or more years to implement. As part of our strategic planning process, it's critical for us to identify census trends and the service needs of our facilities as early as possible.

DSHS programs have proposed a number of building renovation, remodel and new construction projects for 2007-2011 to respond to their service needs.

Division of Developmental Disabilities: (1) cottage renovations and upgrades at Frances Haddon Morgan Center and Lakeland Village, and (2) a new maintenance building at Yakima Valley School.

Juvenile Rehabilitation Administration: (1) remodel of the multi-services building at Maple Lane School, (2) cottage renovations and remodels at the Echo Glen Children's Center and Naselle Youth Camp, (3) renovation of the recreation buildings at Green Hill School and Maple Lane School, (4) a new Intensive Management Unit, Health Center, Administration Building and Cultural & Spiritual Center at Green Hill School, (5) a new entry/security/visiting building at Maple Lane School, and (6) a new maintenance building at Naselle Youth Camp.

Mental Health Division: (1) renovations and remodels of the administration buildings and activity-therapy building at Eastern State Hospital (ESH), (2) a new kitchen and commissary building at Western State Hospital (WSH), (3) a new activity and therapy building at the Child Study and Treatment Center, (4) a new 48-bed children's facility at the WSH, (5) maintenance shops remodel and addition at the WSH, and (6) new Nora Flooring in the geriatric ward at WSH.

Special Commitment Center on McNeil Island: (1) expanded residential capacity, (2) kitchen, boiler and utility upgrades, (3) facility-wide telecommunication systems and infrastructure upgrades, and (4) a new warehouse.

Facility Improvements and Upgrades

Significant improvements and upgrades are required on infrastructure and utility systems at many of our institutions.

- Storm Systems, Sanitary Sewer Systems: Echo Glen Children's Center, Eastern State Hospital, Frances Haddon Morgan Center, Lakeland Village, Rainier School, Special Commitment Center, and Western State Hospital.
- Water Distribution System Upgrades: Echo Glen Children's Center and Rainier School.
- Steam Boilers, Steam and Condensate Distribution Systems: Eastern State Hospital, Rainier School, and Special Commitment Center.

Pressing Maintenance and Operations Needs

The department operates 21 institutional campuses encompassing more than 3.5 million square feet of space. These campus buildings and utility systems require regular maintenance attention to repair failed systems, continue efficient operations and preserve the life of the assets. Additional operating dollars need to be devoted to plant maintenance, and a good portion of our maintenance dollars should to be used for preventative maintenance activities.

Leased Facility Capacity

Leased Facility Processes in 2007 – 2011

Implementation of the Statewide Leased Facility Model will continue in 2007. Integral to the Model is the development of Leased Facilities Strategic Plans for all DSHS regions and Headquarters that are reviewed and revised annually. Completion of strategic plans for all regions is anticipated by December 2006 at which time the framework for managing leased space throughout the state will be complete.

Inter-program coordination and cooperation within DSHS regions will continue to increase through the collaborative efforts of headquarters facilities managers, Regional Administrators and Regional Business Managers who are the primary participants in the development of long range strategies to obtain and manage appropriate office space in each region and Headquarters.

Identifying and Responding to Regional Needs

Emergent needs for leased space by DSHS programs can be driven by shifts in client caseload, changes in funding, and Legislative direction. Legislation providing for increased staff in Children's Administration throughout the state in FY07 will be addressed during the formulation of regional strategic plans, or in plan revisions where necessary. Coordination and cooperation between DSHS and the Department of General Administration will continue to increase in order to improve the efficiency of the leasing process in response to regional needs for additional leased space.

Strengthen Partnerships with Local Governments

There is an increased need for community residential options for persons who require care and services. At the same time, there are increased community demands for restrictions on the locations and operations of licensed and certified residential facilities that serve the department's clients. The department will continue to coordinate with local governments to educate communities on the need for appropriate residential options for persons who need services and to ensure that local zoning regulations allow such housing consistent with state and federal fair housing and growth management laws.

DIVERSITY & CULTURAL COMPETENCY

Respond to the Needs of Our Diverse Population

As the largest state agency and one that provides human services to one out of every five individuals in the state, DSHS is making diversity a priority, which presents an opportunity for us to better respond to the needs of the diverse population we serve.

Our challenge is to develop organizational processes and policies that are inclusive of cultural diversity. Currently we are building partnerships to address diversity in two critical areas: workforce and client services.

Diversity in Workforce

Our goal is to provide equal employment opportunities for historically underrepresented groups in all job classifications and throughout all administrations and management teams. As of January 2005, there are 3,929 or 23% of department employees who are from affected groups* (ref. WAC 357-01-005). This percentage is higher than the state government average (18%).

However, we have identified a need to increase employee diversity in management and executive level positions. We are expanding our recruitment to model our employee base with the local population. We are taking efforts to integrate the most talented people into our workforce. We expect them to understand and effectively manage local operational challenges.

Diversity in Client Services

The primary goal of diversity planning in the area of client services is to achieve desirable outcomes for the varied diverse populations and address the disproportionate levels of services to clients. We have examined disparities in health care outcomes, such as mortality rates, inappropriate emergency room use or hospitalization, patterns of pharmaceutical use, and low birth weight.

We have also examined variations in risk factors, such as access to care, unmet mental health or alcohol/drug treatment needs, and quality of care, for some outcomes and groups, and plan to carry out more such analyses in the upcoming year.

Cultural Competency

Cultural Competency refers to the ability of an individual or the capacity of an organization to respect and affirm cultural differences in order to serve diverse communities more effectively.

DSHS is working to review more data and to better identify gaps in addressing diversity in workforce and client services. To embrace an organizational culture that can effectively serve and understand the needs of our diverse population, it's necessary to have a culturally competent workforce that is sensitive to the on-going trends and changes that affect service delivery to our customers.

* **Affected groups** (ref. WAC 357-01-005) are those groups that must be included in affirmative action plans and updates and who may be beneficiaries of affirmative action programs. Affected groups include: Blacks, Asians, Pacific Islanders, Hispanics/Latinos, American Indians/Alaska Natives, women, persons age 40 and over, persons with disabilities, Vietnam-era veterans and disabled veterans. Employers must use the most current federal definitions and categories in their plans and updates.